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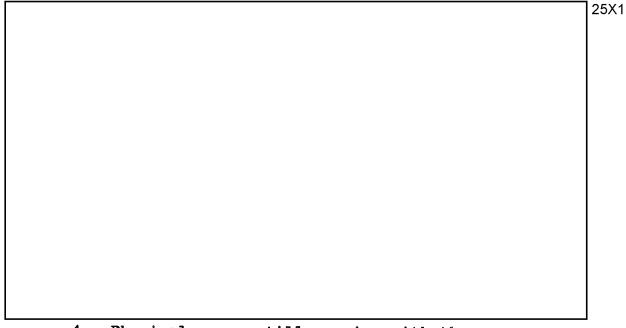
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CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 21 November 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation (Report #68 - As of 4:00 PM EST)

1. The Bogor Palace conference of 20 November was merely a continuation of the contest of maneuver between President Sukarno and army leaders, with the eventual outcome still very much in doubt.



4. Physical power still remains with the army, which is forging ahead with its anti-PKI drive. However, Sukarno feels that his position vis-a-vis the army is improving and his confidence is on the rise. This has been made apparent by Sukarno's refusal to ban the PKI and dismiss Foreign Minister Subandrio

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despite the demands of the army and army-influenced political and religious organizations, by his persistent efforts to reestablish his control over the country's news media, and by his increased political maneuvering of the past several days.	
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6. Meanwhile, the army still is being hard-pressed to finance its anti-PKI operations and accommodate the large number of political prisoners being taken into custody. Arrests of PKI members in Sumatra and Java alone reportedly total over 25,000 to date.	25X1